

## EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary							
Fund	2000-01 Base Year Doubled	2001-03 Governor	2001-03 Jt. Finance	2001-03 Legislature	2001-03 Act 16	Act 16 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$14,552,400	\$14,132,900	\$14,462,500	\$14,462,500	\$14,462,500	- \$89,900	- 0.6%
FED	943,600	2,203,600	2,203,600	2,203,600	2,203,600	1,260,000	133.5
PR	<u>14,565,600</u>	<u>17,517,600</u>	<u>17,517,600</u>	<u>17,517,600</u>	<u>17,517,600</u>	<u>2,952,000</u>	20.3
TOTAL	\$30,061,600	\$33,854,100	\$34,183,700	\$34,183,700	\$34,183,700	\$4,122,100	13.7%

FTE Position Summary						
Fund	2000-01 Base	2002-03 Governor	2002-03 Jt. Finance	2002-03 Legislature	2002-03 Act 16	Act 16 Change Over 2000-01 Base
GPR	61.75	61.75	61.75	61.75	61.75	0.00
PR	<u>32.75</u>	<u>31.75</u>	<u>31.75</u>	<u>31.75</u>	<u>31.75</u>	- 1.00
TOTAL	94.50	93.50	93.50	93.50	93.50	- 1.00

### Budget Change Items

#### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Adjust the base budget by \$86,100 GPR and \$58,100 PR in 2001-02 and by \$91,500 GPR and \$59,300 PR in 2002-03 for:

GPR	\$177,600
PR	<u>117,400</u>
Total	\$295,000

(a) full finding of continuing position salaries and fringe benefits (-\$36,000 GPR and \$20,100 PR annually); (b) reclassifications (\$1,700 GPR and \$7,500 PR annually); (c) BadgerNet increases (\$700 GPR and \$400 PR annually); (d) overtime (\$68,000 GPR and \$9,900 PR annually); (e) night and weekend differential (\$7,600 GPR and \$3,300 PR annually); (f) fifth week of vacation as cash (\$23,700 GPR and \$3,900 PR in 2001-02 and \$29,100 GPR and \$5,100 PR in 2002-03); and (g) full funding of lease and directed move costs (\$20,400 GPR and \$13,000 PR annually).

**2. BASE BUDGET REDUCTIONS [LFB Paper 245]**

GPR	- \$567,600
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**Governor/Legislature:** Reduce the agency's GPR state operations appropriations by \$283,800 in each year. The total reduction amount was derived by making a reduction of 5% to each appropriation, except those for debt service and energy costs. Include session law language permitting the agency to submit an alternative plan to the Secretary of Administration for allocating the required reduction among its sum certain GPR appropriations for state operations purposes. Provide that if the DOA Secretary approves the alternative reduction plan, the plan must be submitted to the Joint Committee on Finance for its approval under a 14-day passive review procedure. Specify that if the Secretary of Administration does not approve the agency's alternative reduction plan, the agency must make the reduction to the appropriation as originally indicated.

[Act 16 Section: 9159(1)]

**3. FUEL AND UTILITY REESTIMATE**

GPR	- \$29,200
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**Governor/Legislature:** Reduce funding by -\$15,500 in 2001-02 and -\$13,700 in 2002-03 to reflect reestimated costs for fuel and utilities.

**4. DEBT SERVICE REESTIMATE [LFB Paper 266]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$300	\$329,600	\$329,300

**Governor:** Reestimate debt service costs by -\$1,300 in 2001-02 and \$1,000 in 2002-03 from the base level of \$845,300.

**Joint Finance/Legislature:** Provide \$79,800 in 2001-02 and \$249,800 in 2002-03 to reflect reestimated debt service costs.

**5. PROGRAM AND FEDERAL REVENUE REESTIMATE**

FED	\$1,260,000
PR	<u>2,940,000</u>
Total	\$4,200,000

**Governor/Legislature:** Reestimate federal and program revenue expenditure authority by \$560,000 FED and \$1,440,000 PR in 2001-02 and \$700,000 FED and \$1,500,000 PR in 2002-03.

**6. DELETE POSITION**

Funding Positions		
PR	- \$105,400	-1.00

**Governor/Legislature:** Delete \$52,700 PR and 1.0 FTE

position annually. A corresponding increase in funding and authorized positions is made to the TEACH Board. The position organizes the annual educational technology conference.

## **7. DEBT SERVICE APPROPRIATION**

**Governor:** Create a sum sufficient appropriation for debt service funded with gifts and grants. Require the funds be used for the payment of principal and interest costs incurred in financing the acquisition, construction, development, enlargement, or improvement of facilities approved by the Building Commission for operation by the ECB and to make any required federal arbitrage repayments. Require that if the Secretary of Administration determines that the Federal Communications Commission has approved the transfer of all broadcasting licenses held by the ECB to the broadcasting corporation proposed under the bill, on and after the effective date of the last license transferred as determined by the Secretary of Administration, no monies from this appropriation may be encumbered.

**Senate/Legislature:** Delete the requirement that if the Secretary of Administration determines that ECB broadcasting licenses have been transferred, then no monies from this appropriation could be encumbered.

[Act 16 Sections: 475, 477 and 962]

## **8. RESTRUCTURE PUBLIC BROADCASTING [LFB Paper 390]**

**Governor:** Restructure public broadcasting in the State of Wisconsin as follows:

*Public Broadcasting Transitional Board.* Create a 20-member transitional board that would include the following individuals: (a) the Secretary of DOA, or his or her designee; (b) the State Superintendent of Public Instruction, or his or her designee; (c) the President of the University of Wisconsin System, or his or her designee; (d) the Director of the Wisconsin Technical College System (WTCS), or his or her designee; (e) the President of the Wisconsin Association of Independent Colleges and Universities, or his or her designee; (f) one legislator from the majority party of each house of the Legislature, appointed as are members of standing committees; (g) two members appointed by the Governor who belong to the Wisconsin Public Radio Association (WPRA); (h) one member appointed by the Governor who belongs to the Friends of WHA-TV; (i) one member appointed by the Governor who resides in Wisconsin but outside of the WHA-TV viewing area; (j) one member appointed by the Governor who is a representative of public elementary and secondary school administrators; and (k) eight members appointed by the Governor who are employed in the private sector.

Provide that the members of the transitional board in sections (g) through (k) would be subject to Senate confirmation and that these members would be appointed for a three-year term. Provide that the members of the transitional board would be subject to the code of ethics for public officials and employees. Provide that this transitional board would be eliminated on the first day of the 36<sup>th</sup> month beginning after the effective date of the budget act.

*Duties of Transitional Board.* Specify the following transitional board duties:

- a. Draft and file articles of incorporation for a nonstock corporation under state law and take all actions necessary to exempt the corporation from federal taxation under 501(c)(3) of the Internal Revenue Code. This corporation would be referenced as the Broadcasting Corporation;
- b. Provide in the articles of incorporation that the initial directors of the corporate board would be the members of the Transitional Board;
- c. Draft bylaws for adoption of the corporate board of the Corporation.
- d. Prepare an application for submission by the corporate board to the Federal Communications Commission (FCC) to transfer all broadcasting licenses held by the ECB and the UW Board of Regents, except licenses for student radio, to the Corporation;
- e. Negotiate an agreement with the WPRA for the transfer of funds raised by the Association to the Corporation;
- f. Negotiate an agreement with each friends of public television group for the transfer of funds raised by each group to the corporation; and
- g. Retain, if necessary, staff and legal, administrative and technical assistance from the UW and the ECB, which would be provided at no cost to the transitional board.

*Elimination of ECB.* If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, ECB would be eliminated on and after the effective date of the last license transferred as determined by the Secretary of DOA. Provide that no monies could be encumbered from any of ECB's appropriations after that date. As part of the elimination of ECB, the ECB member on the TEACH Board would be replaced with another member appointed by the Governor.

*Eliminate Public Broadcasting Responsibility of UW Board of Regents.* If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW to the Broadcasting Corporation, except for licenses for student radio, then current law requiring the Board of Regents to operate WHA and WHA-TV would no longer apply effective on the date of the transfer of the last license.

*Duties of Broadcasting Corporation.* The Broadcasting Corporation would be required to do each of the following as a condition of receiving state aid:

- a. Maintain a state system of radio broadcasting for the presentation of educational, informational and public service programs, and formulate policies regulating the operation of such a state system, and coordinate the public radio activities of the various educational and informational agencies, civic groups, and citizens that contribute to the public interest and welfare;

- b. Maintain educational television channels reserved for Wisconsin, and take such action as is necessary to preserve such channels in Wisconsin for educational use;
- c. Maintain a comprehensive state plan for the orderly operation of a statewide television system for the presentation of noncommercial instructional programs that will best serve the interests of the state;
- d. Work with the educational agencies and institutions of the state as a reviewer, adviser and coordinator of their joint efforts to meet the educational needs of the state through radio and television;
- e. Furnish leadership in securing adequate funding for statewide joint use of radio and television for educational and cultural purposes, including funding for media programming for broadcast over the state networks;
- f. Lease, purchase or construct radio and television facilities for joint use with state and local agencies, including broadcast network and production facilities, network interconnection or relay equipment, mobile units, and other equipment available for statewide use;
- g. Maintain radio and television transmission equipment in order to provide broadcast service to all areas of this state;
- h. Establish and maintain a continuing evaluation of the effectiveness of the joint efforts of all participating educational institutions in terms of jointly-established goals in the area of educational radio and television;
- i. Act as an informational source for educational radio and television activities in this state and provide such information to legislators, offices of government, educational institutions and the general public;
- j. Provide educational programming for elementary and secondary schools in this state and transmit public radio and television to remote and underserved areas of the state.
- k. Contract with the UW Board of Regents for the services of its public broadcasting staff; and
- l. Make the most effective use of its digital broadcasting spectrum.

*Additional Requirements for State Aid.* Provide that the Broadcasting Corporation could receive state aid if each of the following is satisfied:

- a. The articles of incorporation state the purpose of the Broadcasting Corporation is to provide public broadcasting to this state and that, if the Broadcasting Corporation dissolves or discontinues public broadcasting in this state, the Corporation would be required to, in good faith, take all reasonable measures to transfer or assign the Broadcasting Corporation's assets, licenses and rights to an entity whose purpose is to advance public broadcasting in this state;

- b. The Corporation initially adopts the bylaws drafted by the transitional board;
- c. The Corporation permits public inspection and copying of any records of the corporation to the same extent as required of, and subject to the same terms and enforcement provisions that apply to, an authority designated under state law;
- d. The Corporation provides public access to its meetings to the same extent as is required of, and subject to the same terms and enforcement provisions that apply to, a governmental body;
- e. The Corporation provides the Secretary of DOA, the Legislative Audit Bureau and the Legislative Fiscal Bureau with access to all of the Corporation's records, except records identifying the names of private donors;
- f. If the broadcast licenses of the ECB are transferred to the Corporation, it carries out any obligation of the ECB under any contract entered into by the ECB that relates to the provision of public broadcasting in this state until the contract is modified or rescinded by the Corporation to the extent allowed under the contract and the Corporation pays off any outstanding state debt related to the ECB state office building; and
- g. If the broadcast licenses of the UW are transferred to the Corporation, it carries out any obligation of the UW under any contract entered into by the UW that relates to the provision of public broadcasting in this state until the contract is modified or rescinded by the Corporation to the extent allowed under the contract.

Specify that the Secretary of DOA would pay state aid to the Corporation in installments, as determined by the Secretary.

*Duties of Secretary of DOA.* The Secretary of DOA would be required to determine each of the following: (a) whether the FCC has approved the transfer of all broadcasting licenses held by ECB and the Board of Regents of the UW, except for licenses for student radio, to the proposed Broadcasting Corporation; (b) if the Secretary of DOA determines that the FCC has approved the transfer of all ECB broadcasting licenses, then the Secretary would determine the effective date of the transfer of the last license to the Broadcasting Corporation; and (c) if the Secretary of DOA determines that the FCC has approved the transfer of all UW broadcasting licenses, then the Secretary would determine the effective date of the transfer of the last license to the Broadcasting Corporation. The Secretary of DOA would be required to notify the Revisor of Statutes in writing of the effective date of the last license transferred.

*Transfer of Appropriation Balances.* If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, each of the following transfers would occur on the effective date of the transfer of the last license to the Broadcasting Corporation: (a) the unencumbered balance of all of ECB's sum certain GPR appropriations would be transferred to a new section of the state appropriation schedule created for the Corporation, which would include two GPR sum certain appropriations, one for operational costs of public television broadcasting and one for

operational costs of public radio broadcasting; (b) the unencumbered balance of ECB's PR appropriation for emergency broadcasting would be transferred to a newly-created GPR appropriation under DOA for the same purpose; and (c) the unencumbered balance of the rest of ECB's PR and FED appropriations would be transferred to a newly-created PR appropriation under DOA, and the Secretary of DOA would be required, to the extent allowed under federal law, to pay the Broadcasting Corporation a grant equal to the unencumbered balance of the new PR appropriation under DOA.

If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW to the Broadcasting Corporation, except for licenses for student radio, on the effective date of the transfer of the last license to the Corporation all unencumbered balances appropriated to the UW for public broadcasting, as determined by the Secretary of DOA, would be transferred to the Corporation.

*Transfer of ECB Positions.* If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, all ECB positions and incumbent employees holding the positions would be transferred to DOA. Provide that employees would retain the same rights and status that they enjoyed at ECB, and no permanent employee would be required to serve a probationary period. Specify that ECB unclassified positions for the deputy, four division administrators and 11 professional staff members would continue to be unclassified positions after transfer to DOA. Provide that all employees transferred to DOA would be required to provide broadcasting services to the Broadcasting Corporation under a contract between DOA and the Corporation. The contract would be required to specify that the employees providing services would be supervised solely by the Broadcasting Corporation. A PR appropriation would be created under DOA to allow the expenditure of monies received from the Corporation for services provided under the contract.

*UW Positions Provide Services to Broadcasting Corporation.* If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW Board of Regents to the Broadcasting Corporation, except licenses for student radio, then the following provisions would apply: (a) the Board of Regents would be required to contract with the Broadcasting Corporation to provide the Corporation with the services of all the employees of the UW who provided public broadcasting services prior to the license transfer; (b) the Board of Regents could not contract for the services of any employee who did not provide public broadcasting services prior to the license transfer; and (c) any contract must specify that the Broadcasting Corporation would have supervisory authority over the employees. If any employee of the UW who provided public broadcasting services prior to the license transfer terminates employment with the UW after the license transfer, the Board of Regents could not fill that position and could not expend any money that would otherwise have been paid to or on behalf of the employee as salary or fringe benefits. A PR appropriation would be created under the UW to allow the expenditure of monies received from the Corporation for services provided under the contract.

*Transfer of ECB and UW Assets.* If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the broadcasting corporation, the following asset transfer provisions would apply: (a) the state office building used by ECB would be transferred to the Broadcasting Corporation if the Corporation pays \$476,228, which represents the Foundation's remaining interest in the building, to the Wisconsin Public Broadcasting Foundation or the Foundation waives the payment; (b) assets of the state used by ECB that are not shared assets would be transferred to the Broadcasting Corporation on the effective date of the last license transferred; (c) assets of the state used by ECB for the emergency weather warning system would be transferred to the DOA; and (d) current general obligation bonding authorized for ECB facilities would transfer to DOA. Any asset transferred under (a) or (b) would revert to the state if the asset would not be used for providing public broadcasting. A GPR debt service appropriation would be created under DOA for debt service costs associated with transferred ECB facilities.

If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW Board of Regents to the broadcasting corporation, except licenses for student radio, assets of the state used by the UW that are not shared assets would be transferred to the Broadcasting Corporation on the effective date of the last license transferred. Any UW asset transferred would revert to the state if the asset would not be used for providing public broadcasting.

*Transfer Provisions for Shared Assets.* A shared asset would be defined as any asset of the state that, as determined by the Secretary of DOA, is used for the purpose of providing public broadcasting, including a tower, transmitter, transmission facility or other related structure, equipment or property, and that is also used by another state agency.

If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, the Secretary of DOA would be required to negotiate and enter into an agreement to lease, sell or otherwise transfer any shared asset used by ECB to the Corporation. In addition, the Secretary would be required to negotiate and enter into an agreement with the Broadcasting Corporation regarding the payment of any outstanding ECB debt service relating to public broadcasting. A PR appropriation would be created under DOA to allow expenditure of monies received from the Corporation to pay this debt service.

If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW Regents to the Broadcasting Corporation, except licenses for student radio, the Secretary of DOA would be required to negotiate and enter into an agreement to lease, sell or otherwise transfer any shared asset used by the UW to the Corporation. In addition, the Secretary would be required to negotiate and enter into an agreement with the Broadcasting Corporation regarding the payment of any outstanding UW debt service relating to public broadcasting.

*Emergency Weather Warning System.* If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the broadcasting corporation,



after the date of the last license transfer, DOA would be required to contract with the Broadcasting Corporation for the operation of an emergency weather warning system.

*Other Provisions.* Modify current law references to ECB to instead refer to the Broadcasting Corporation in areas relating to public broadcasting licenses held by the Milwaukee Area Technical College.

**Senate/Legislature:** Delete provision.